



SUBCOMMITTEE ON INFRASTRUCTURE AND RESOURCES

Interim Meeting
Budget Topics

CHAIRMAN
REPRESENTATIVE JAMES MORRIS



AGENDA

Department of Transportation and Development

- Current Operating Budget
- Statutory Dedications
- Salaries and Positions
- Travel Expenditures
- Other Items/Issues



TRANSPORTATION AND DEVELOPMENT

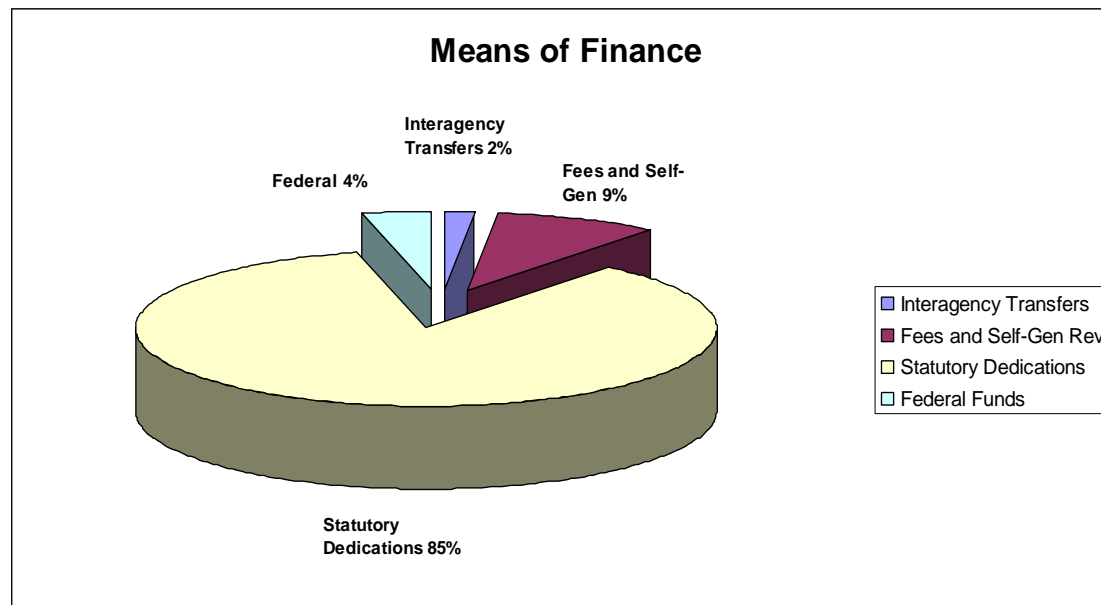
| Transportation and Development Existing Operating Budget Comparison | | | | | |
|--|--------------------------------------|---|-----------------------------------|---------------------------------------|--|
| Means of Finance | FY 2007-08 Actual Expenditures | FY 2008-09 Existing Operating Budget | FY 2009-10 Requested Budget | Change FY 2008-09 to FY 2009-10 | Percent Change EOB to Request |
| State General Fund | \$17,822,785 | \$0 | \$0 | \$0 | 0.0% |
| Interagency Transfers | \$5,651,667 | \$9,096,456 | \$9,627,538 | \$531,082 | 5.8% |
| Fees and Self-Gen Rev | \$40,215,417 | \$54,217,007 | \$55,872,428 | \$1,655,421 | 3.1% |
| Statutory Dedications | \$424,539,116 | \$502,815,946 | \$494,468,138 | (\$8,347,808) | -1.7% |
| Federal Funds | \$11,306,995 | \$22,119,543 | \$31,196,375 | \$9,076,832 | 41.0% |
| TOTAL | \$499,535,980 | \$588,248,952 | \$591,164,479 | \$2,915,527 | 0.5% |
| | | | | | |



TRANSPORTATION AND DEVELOPMENT

CURRENT OPERATING BUDGET

- DOTD has a current existing operating budget of \$588.2 million.
- \$502.8 million, or 85.5% of the total budget is funded through statutory dedications.





TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

Transportation Trust Fund - Regular

Transportation Trust Fund (TTF-Regular) - Constitution Article VII, §27

- Revenue Sources
 - 16 cents per gallon on gasoline and special fuels
 - Vehicle license fees
 - Weights permits and fines
 - Interest earnings
 - Motor Vehicle Sales Taxes* (enacted in 2nd Special Legislative Session of 2008)
- Allowable Usage
 - Construction and maintenance of roads and bridges
 - Ports
 - Airports
 - Flood Control
 - Transit
 - Parish Transportation
 - Can be used by State Police for traffic control purposes (not in current use)



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

Transportation Trust Fund - Regular

Motor Vehicle Sales Tax (deposit into the TTF-Regular) – Act 11 of the 2nd Extraordinary Session of 2008.

- Intended to infuse additional cash into the Transportation Trust Fund.
 - In FY 2008-09, deposit of 10% avails of motor vehicle sales tax.
 - In FY 2009-10, deposit of 20% avails of motor vehicle sales tax.
 - Graduated increase until full 100% deposit in FY 2014-15.
- Allowable Usage
 - 93% to be deposited into the Transportation Trust Fund.
 - 7% of this amount dedicated to the Port Priority Program.
 - No less than 30% dedicated to capacity projects.
 - The remainder to be dedicated to the Highway Priority Program.
 - 7% to be deposited into the Transportation Mobility Fund - R.S. 48:2112.



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

Transportation Trust Fund - Regular

Motor Vehicle Sales Tax (deposit into the TTF-Regular) – continued

- Current year cessation of deposits.
 - Language inserted into the bill stipulated that, “if a deficit for the current fiscal year is projected due to a decrease in the official forecast of the Revenue Estimating Conference, the treasurer is hereby directed to reduce the deposits required by this Section by an amount equal to the amount of the projected deficit less the amount which is authorized to be appropriated from the Budget Stabilization Fund as provided in Article VII, Section 10.3(C)(2) of the Constitution of Louisiana. Deposits to the fund shall be reduced as provided in this Subsection until such time as the official forecast of the Revenue Estimating Conference equals or exceeds the official forecast in effect prior to the projected deficit, at which time the reduction shall cease.”
- Revenue Estimating Conference, December 15, 2008
 - The current year state general fund estimate fell by an amount in excess of that authorized for appropriation from the Budget Stabilization Fund.
 - This triggered the cessation of deposits into the Transportation Trust Fund.
 - The State General Fund estimate in effect prior to the projected deficit was \$9.702 billion.
 - The current forecast for FY 2009-10 is \$8.193 billion
 - Projecting into years going forward, the State General Fund estimate climbs to only \$8.651 billion in FY 2012-13.



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

Transportation Trust Fund - Regular

- A finite revenue stream
 - The primary funding source for both the operating expenses of the Department as well as capital projects. *Enhancing funding in one area necessitates an equal reduction from the other.*
- Gasoline tax revenues have grown historically at a rate of approximately 2.5% per year since 1992.
 - Construction and operating inflation substantially exceed the growth rate. Personnel costs grow an average of 5% annually. Since the hurricane events in 2005, construction costs increased in excess of 30%.
 - The original 16 cent gasoline tax established in 1984 has a current day buying power of approximately 7 cents.
- TTF-Regular - Aviation
 - The revenue collections for the aviation sub-account in the Transportation Trust Fund are set by an estimate provided from the Louisiana Department of Revenue. In recent history, that amount was \$9.7 million per year.
 - For Fiscal Year 2009-2010, the Department of Revenue has provided a new estimate totaling \$29.8 million. This will provide an infusion of cash to eligible airports statewide next year.
 - After funding the Aviation Program's operating budget, the remainder of the revenue is appropriated in House Bill 2 (Capital Outlay) for the Airport Priority Program.



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

Transportation Trust Fund – Regular

- Utilization of undesignated fund balance
 - Historically, the state has collected revenues in excess of expenditures, resulting in an undesignated fund balance at the end of each fiscal year.
 - This balance is rolled forward to subsequent fiscal years to enhance the departments ability to maintain and enhance the state's transportation infrastructure.
 - At the Revenue Estimating Conference meeting on December 15, the current year Transportation Trust Fund estimate was reduced by \$47.2 million, placing the fund in a deficit posture.

| | Transportation Trust Fund (In Millions) | | | | |
|--------------------------|--|---------|---------|---------|---------|
| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
| Revenues | 528.32 | 554.87 | 576.17 | 577.19 | 552.10 |
| Undesignated Balance | 30.07 | 18.86 | 48.47 | 74.17 | 49.00 |
| Total Available | 558.39 | 573.73 | 624.64 | 651.37 | 601.10 |
| Expenditures | 539.53 | 525.26 | 550.46 | 602.37 | 605.96 |
| New Undesignated Balance | 18.86 | 48.47 | 74.17 | 49.00 | (4.87) |



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

Right of Way Permit Processing Fund

DOTD Right of Way Permit Processing Fund - R.S. 48:381

- Revenue Source
 - Fees from utility operators in connection with the issuance of permits along state highways.
- Allowable Usage
 - Defray the expenses of the right-of-way permit office connected with the issuance and processing required for permitted activity within state roads and highways right-of-ways.
 - Excess fees, over and above the expenses of the right-of-way permit office, shall be distributed to federally approved highway projects.

| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|--------------------------|------------|------------|------------|------------|------------|
| Revenues | 354,411.07 | 299,922.37 | 412,499.68 | 268,062.09 | 384,290.55 |
| Carry Forward | 588,406.93 | 515,718.00 | 333,630.37 | 30,357.45 | 9,598.32 |
| Total Available | 942,818.00 | 815,640.37 | 746,130.05 | 298,419.54 | 393,888.87 |
| Expenditures | 427,100.00 | 482,010.00 | 715,772.60 | 288,821.22 | 393,888.87 |
| New Undesignated Balance | 515,718.00 | 333,630.37 | 30,357.45 | 9,598.32 | 0.00 |



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

General Aviation and Reliever Airport Maintenance Grant

General Aviation and Reliever Airport Maintenance Grant - R.S.2:904

- Revenue Source
 - Direct appropriations, grants or donations.
 - Has not received new revenues for several years.
 - Most recent deposit was \$200,000 in FY 2000-01 which was utilized for grants through FY 2005-06. The current balance in the fund is \$5,471.
- Allowable Usage
 - Awarding of grants for maintenance needs and for attempts to enhance safety issues at existing airport facilities (generally in the \$5,000-\$10,000 range).



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

State Highway Improvement Fund

State Highway Improvement Fund - R.S. 48:196

- Revenue Source
 - Registration and license fees and taxes on trucks and trailers collected by the state.
- Allowable Usage
 - Projects for any road which is part of the state highway system but not part of the federal highway system, which makes it ineligible for federal highway funding assistance.
 - Projects include design, preventive, maintenance, rehabilitation, restoration, and improvement of the state maintained system of roads.
- Implemented by Act 708 of the 2006 Regular Legislative Session
 - Projected collections in the first fiscal year at \$10.3 million.
 - Actual collections were \$6.8 million.
 - Projected collections in the second year at \$21.2 million.
 - Actual collections to date (8 of 13 accounting periods) total \$5.9 million.



TRANSPORTATION AND DEVELOPMENT

STATUTORY DEDICATIONS

Transportation Infrastructure Model for Economic Development (TIMED)

TIMED - RS 47:820.1 - 820.6

- Revenue Source
 - 4 cents per gallon on gasoline and special fuels.
 - The program's revenues are far short of that needed to complete the program.
- Allowable Usage
 - TIMED fund is to be used exclusively for specific road and bridge projects.
 - Widens 536 miles of state highways to four lanes in 11 corridors
 - Widens and/or new construction on three major bridges
 - Improvements to Port of New Orleans
 - Improvements to Louis Armstrong International Airport



TRANSPORTATION AND DEVELOPMENT

SALARIES AND POSITIONS

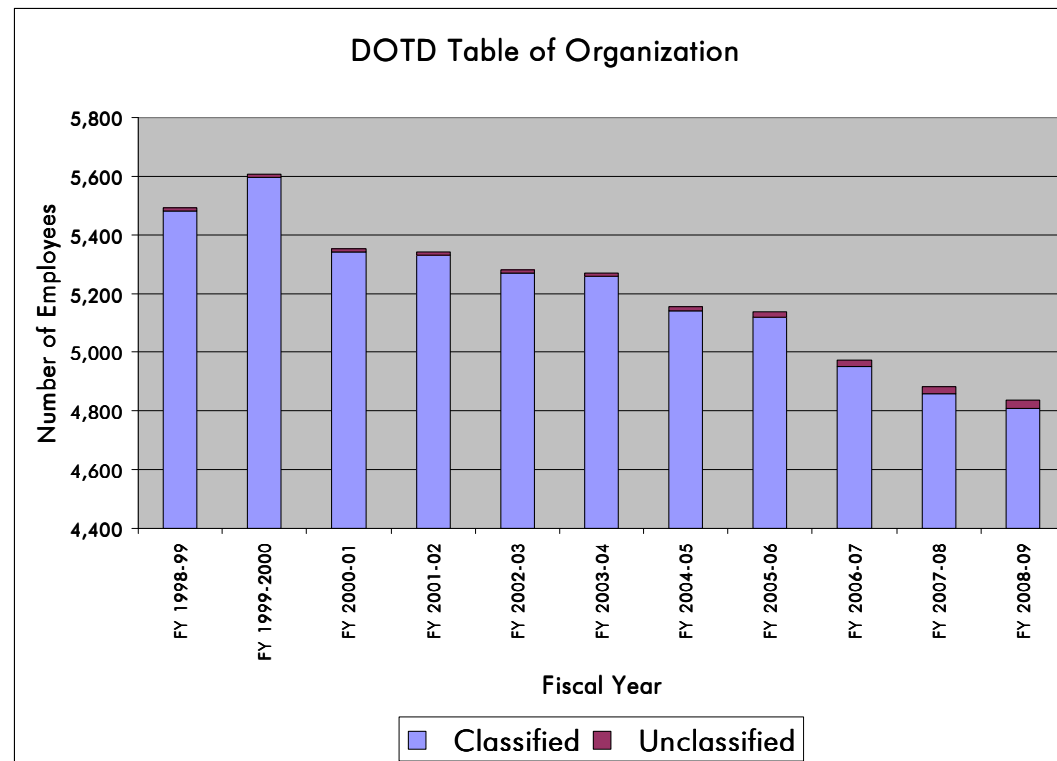
- The current year on-staff personnel at DOTD require \$201.8 million in salaries and \$60.8 million in related benefits.
- Total Salaries and Related Benefits = \$268.7 million, or 46% of the total operating budget.
- Current average salary = \$43,302
 - 4,836 authorized positions (4,807 classified, 29 unclassified).
- 4,836 authorized positions (4,809 classified, 27 unclassified).
- As of 2/4/09, the department had 179 vacant positions. After T.O. reduction related to the Executive Order freeze and deficit reduction strategy, the dept will have 84 positions.



TRANSPORTATION AND DEVELOPMENT

AUTHORIZED POSITION HISTORY

| | FY 1998-99 | FY 1999-2000 | FY 2000-01 | FY 2001-02 | FY 2002-03 | FY 2003-04 | FY 2004-05 | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Classified | 5,481 | 5,595 | 5,343 | 5,331 | 5,269 | 5,258 | 5,141 | 5,120 | 4,952 | 4,860 | 4,807 |
| Unclassified | 10 | 11 | 11 | 11 | 11 | 13 | 13 | 17 | 20 | 25 | 29 |
| TOTAL POSITIONS | 5,491 | 5,606 | 5,354 | 5,342 | 5,280 | 5,271 | 5,154 | 5,137 | 4,972 | 4,885 | 4,836 |





TRANSPORTATION AND DEVELOPMENT

TRAVEL

The Department of Transportation and Development has \$2.6 million budgeted for travel in the current fiscal year, or 0.4% of its total budget.

| Type of Travel | FY 08-09 Budget |
|------------------------------------|--------------------|
| In-State Administrative | \$9,185 |
| In-State Conference/Convention | \$203,988 |
| In-State Field Travel | \$1,826,877 |
| <u>In-State Board Members</u> | <u>\$453</u> |
| Total In-State Travel | \$2,040,503 |
| Out-of-State Administrative | \$12,978 |
| Out-of-State Conference/Convention | \$144,217 |
| Out-of-State Field Travel | \$443,360 |
| <u>Out-of-State Board Members</u> | <u>\$1,023</u> |
| Total Out-of State Travel | \$601,578 |
| TOTAL TRAVEL | \$2,642,081 |

This data is as of 11/1/08, as included in the department's budget request document. Changes have occurred since that point in time.



TRANSPORTATION AND DEVELOPMENT

OTHER ISSUES

- Impact of falling Transportation Trust Fund revenue receipts at the state and federal levels on maintenance and construction activities.
- Update on the TIMED Program, funding shortage, potential impact on the Transportation Trust Fund-Regular, updated outlook on projects completion.
- Overview of formulas used to allocate funds to different infrastructure categories (capacity, safety, preservation, contract maintenance).
- Projections on the Federal Economic Stimulus Package.
- Update on the status of the Crescent City Connection Division and results of the department's internal audit/efficiency review.